

[English Translation]

**Notice Concerning Conclusion of Capital Alliance Agreement,
Issuance of Class B Preferred Shares and Stock Acquisition Rights through Third-party Allotment, and
Change in the Largest Major Shareholder**

Japan Display Inc. ("JDI") hereby announces that it has resolved, at its meeting of the board of directors held on January 31, 2020 (the "Board of Directors Meeting"), to enter into Capital Alliance Agreement (the "Capital Alliance Agreement") with Ichigo Trust ("Ichigo Trust").

In addition, JDI also hereby announces that it has resolved at the Board of Directors Meeting to implement: (i) an issuance of Japan Display Inc. class B preferred shares (the "Class B Preferred Shares") through third-party allotment to Ichigo Trust (the "Third-party Allotment of Class B Preferred Shares"); and (ii) an issuance of Japan Display Inc. 11th series stock acquisition rights (the "Stock Acquisition Rights") through third-party allotment to Ichigo Trust (the "Third-party Allotment of Stock Acquisition Rights"; together with the Third-party Allotment of Class B Preferred Shares, the "Third-party Allotment"), pursuant to the Capital Alliance Agreement.

The Third-party Allotment will be implemented on the condition that all of the following conditions precedent (the "Conditions Precedent") are satisfied: at JDI's extraordinary general meeting of shareholders scheduled to be held on March 25, 2020 (the "General Meeting of Shareholders"), (i) a proposal on the Third-party Allotment will be approved by means of an extraordinary resolution, as the amount to be paid in concerning the Third-party Allotment is particularly favorable to the expected allottee, Ichigo Trust; and (ii) a proposal on partial amendment of the Articles of Incorporation to issue the Class B Preferred Shares and Japan Display Inc. class C preferred shares (the "Class C Preferred Shares") which are underlying shares of the Stock Acquisition Rights will be approved.

For details of the partial amendment of the Articles of Incorporation to issue the Class B Preferred Shares, the Class C Preferred Shares which are underlying shares of the Stock Acquisition Rights, and Japan Display Inc. class A preferred shares (the "Class A Preferred Shares") that JDI plans to issue to INCJ, Ltd. ("INCJ") through third-party allotment (the "Third-party Allotment of Class A Preferred Shares"), please refer to "Notice Concerning Partial Amendment of the Articles of Incorporation," which was announced separately today. Further, in connection with the resolution on the Third-party Allotment, JDI also resolved to implement the Third-party Allotment of Class A Preferred Shares on the condition that the Third-party Allotment is implemented, and a proposal related to the Third-party Allotment of Class A Preferred Shares and a proposal related to the partial amendment of the Articles of Incorporation for the issuance of the Class A Preferred Shares are approved at the General Meeting of Shareholders. For details of this, please refer to "Notice Concerning Issuance of Class A Preferred Shares through Third-party

Allotment, (Changes) Borrowing of Funds, and (Changes) Transfer of Shares of Equity Method Affiliate" which was announced separately today.

I. Third-party Allotment

[Omitted]

3. Amount, use, and intended timing of expenditure of funds to be raised

① Class B Preferred Shares

(1) Amount of funds to be raised

A	Total amount to be paid in	JPY 50,400 million
B	Estimated issuance expenses	JPY 470 million
C	Estimated net proceeds	JPY 49,930 million

- (Note) 1. The estimated issuance expenses consist of financial advisor's fees to Nomura Securities Co., Ltd. (Location: 1-9-1 Nihonbashi, Chuo-ku, Tokyo, Japan; Representative: Toshio Morita), attorney fees, fees for valuation of the Class B Preferred Shares, and other costs (including fees related to: (i) documentation of the extraordinary report, (ii) the bank fees of the bank that handles the payment, (iii) the investigation to verify whether there is any relationship with Antisocial Forces, (iv) the registration, and (v) holding an extraordinary general meeting of shareholders), primarily related to the Third-party Allotment of Class B Preferred Shares.
2. The estimated issuance expenses do not include consumption tax, etc.

(2) Specific use and intended timing of expenditure of funds to be raised

JDI plans to use the estimated net proceeds from the Third-party Allotment of Class B Preferred Shares (JPY 49,930,000,000) for the following purposes. Such proceeds will be managed in a bank account until they are appropriated for the use(s) below.

Specific use		Amount (JPY million)	Intended timing of expenditure
A	Capital investment in growth businesses	25,000	April 2020 ~ March 2022
B	Working capital	24,930	April 2020 ~ September 2020

A Capital investment in growth businesses

JDI plans to allocate JPY 5.5 billion of the proceeds from the Third-party Allotment of Class B Preferred Shares to capital investment in the improvement of mass production technology and enhancement of productivity of the evaporation organic EL (Organic Light Emitting Diode, "OLED") production line in the Mobara Plant (Mobara city, Chiba Prefecture).

Note: The evaporation OLED display is a display which is produced by evaporating an organic substance that emits light when current is applied and depositing it on the substrate surface. It offers superior freedom of design capabilities (such as being bendable) compared with LCDs and is being adopted for use in high-priced smartphones.

JDI is engaged mainly in development, design, production, and sales of small and medium size LCDs. JDI has also worked on R&D for OLED displays (Note) and started shipments of mass-produced products (which JDI had never done before) in December 2019. JDI's evaporation OLED display technology uses a revolutionary OLED layer-forming method called the Advanced SBS method. This method provides advantages in terms of high resolution and low power consumption compared with such existing technologies as the SBS method and the WOLED method, and enables longer product life.

In addition, JDI plans to allocate JPY 17 billion of the proceeds from the Third-party Allotment of Class B Preferred Shares to capital investment toward expanding the production of LCDs for automotive and other non-mobile products.

Along with solid growth prospects for the entire automotive market (source: Techno Systems Research, January 2020 issue), the substitution of Low-Temperature Poly-Silicon (LTPS) LCDs, which realize high resolution, slim bezels and low-power consumption, for conventional Amorphous Silicon LCDs is in progress. In addition to the above-mentioned business environment, JDI believes that its possession of advanced technology and know-how for LTPS LCDs, long record of doing business with customers, and ownership of production lines exclusive to the automotive products represent competitive advantages in the automotive display area. JDI has focused on the automotive area which is more profitable and stable than the mobile area. JDI will continue to maintain and enhance its position as a leading supplier in the automotive area, and in order to maximize profits, JDI plans to increase its production capacity.

Furthermore, JDI plans to use JPY 2.5 billion of the proceeds from the Third-party Allotment of Class B Preferred Shares to capital investment aimed at mass production of sensors which were developed by application of LTPS technologies and which are expected to have a wide range of uses.

Trough this capital investment, JDI will improve and expand its product facilities, aiming to increase profits in new business areas whose market is expected to expand in the future, such as VR (virtual reality) head mounted displays for which super high definition (1000ppi or greater pixel density) is required.

B Working capital

As announced in the press release dated October 23, 2019, titled “Current Progress Regarding JDI’s Financial Situation,” in response to a rise in working capital resulting from a current increase in demand from its customers, it was decided that, beginning in November, JDI would receive financial support from its customers that includes a shortening of payment terms, and JDI would also obtain support from other business partners by an easing of their respective payment terms. That support is a temporary supporting measure based on JDI’s requests and is available thanks to the cooperation of its customers and other business partners.

Therefore, JDI will allocate JPY 24.93 billion of the proceeds from the Third-party Allotment of Class B Preferred Shares to working capital, and in doing so, JDI plans to normalize the transaction terms with its customers and other business partners while improving finances, and thereby aims to continue its business in a stable manner.

② Stock Acquisition Rights

(1) Amount of funds to be raised

A	Total amount to be paid in	JPY 50,400 million
B	Estimated issuance expenses	JPY 470 million
C	Estimated net proceeds	JPY 49,930 million

- (Note) 1. The estimated issuance expenses consist of financial advisor’s fees to Nomura Securities Co., Ltd. (Location: 1-9-1 Nihonbashi, Chuo-ku, Tokyo, Japan; Representative: Toshio Morita), attorney fees, fees for valuation of the Stock Acquisition Rights, and other costs (including fees related to: (i) documentation of the extraordinary report, (ii) the bank fees of the bank that handles the payment, (iii) the investigation to verify whether there is any relationship with Antisocial Forces, (iv) the registration, and (v) holding an extraordinary general meeting of shareholders), primarily related to the issuance of the Stock Acquisition Rights.
2. The estimated issuance expenses do not include consumption tax, etc.
3. The Capital Alliance Agreement provides that if JDI requests exercise of the Stock Acquisition Rights presenting reasonable grounds, Ichigo Trust shall respect such request to the maximum extent possible; however, because the Stock Acquisition Rights are not stock acquisition rights whose exercise is unconditionally ensured, exercise of the entire amount is not guaranteed. If the

Stock Acquisition Rights are not exercised within the exercise period or if JDI cancels the Stock Acquisition Rights that JDI has acquired, the total amount to be paid in upon exercise of the Stock Acquisition Rights will decrease. If the total amount to be paid in upon exercise of the Stock Acquisition Rights decreases, JDI will appropriate cash on hand or apply for an extension of borrowing period in light of the status of cash on hand, in connection with the repayment of borrowed funds as stated in (2) below.

(2) Specific use and intended timing of expenditure of funds to be raised

JDI plans to use the estimated net proceeds from the Third-party Allotment of the Stock Acquisition Rights (JPY 49,930,000,000) for the following purpose. Such proceeds will be managed in a bank account until they are appropriated for the use below.

Specific use	Amount (JPY million)	Intended timing of expenditure
Repayment of borrowed funds	49,930	April 2020 ~ March 2023

JDI has currently received support from INCJ, which is the largest shareholder and the largest creditor of JDI, by way of: (i) a subordinated loan (the total principal amount of which is JPY 30 billion), (ii) a joint and several guarantee securing JDI's borrowing under the commitment line agreement executed between JDI and three banks (the commitment line amount of which is JPY 107 billion) (the "Commitment Line Agreement"), (iii) a short-term loan dated December 25, 2019 (the total principal amount of which is JPY 20 billion) (the "Short-term Loan dated December 25, 2019"), (iv) Japan Display Inc. 1st series unsecured subordinated convertible bonds with stock acquisition rights (the outstanding amount of which is JPY 25 billion) (the "1st Series Subordinated Convertible Bonds"), (v) a loan under the loan agreement dated April 18, 2019 which is a bridge loan agreement (the total principal amount of which is JPY 20 billion), (vi) a loan under the loan agreement dated August 7, 2019 which is a short-term loan (the total principal amount of which is JPY 20 billion) (the "Short-term Loan dated August 7, 2019"), and (vii) a loan under the loan agreement dated September 2, 2019 which is a short-term loan (the total principal amount of which is JPY 20 billion) (the "Short-term Loan dated September 2, 2019") (collectively, the "INCJ Existing Support").

With respect to the INCJ Existing Support, in order to secure a long-term stabilization fund and improve JDI's financial structure through raising the capital adequacy ratio by way of converting part of the debt to equity, JDI concluded an agreement with INCJ on May 30, 2019 concerning support that INCJ would provide to JDI (the "Agreement").

Based on the Agreement, regarding the Substitute Performance, JDI concluded a substitute performance agreement on August 27, 2019 and a memorandum of amendment regarding the substitute performance agreement on January

31, 2020; as a result, JDI has agreed to transfer all of JOLED Inc. shares held by JDI to INCJ as a substitute performance of JPY 46.32 billion, in total, which is the sum of the entire loan amount under the loan agreement dated April 18, 2019 (the total principal amount of which is JPY 20 billion) as mentioned in (v) above, and JPY 26.32 billion, which is a part of the subordinated loan (the total principal amount of which is JPY 30 billion) as mentioned in (i) above, on the same day on which the Third-party Allotment will be implemented.

In addition, based on the Agreement, regarding the Senior Loan, JDI concluded a Senior Facility Agreement (the "Senior Loan Agreement") on August 27, 2019 and an Amended and Restated Senior Facility Agreement (the "Senior Loan Amendment Agreement"), on January 31, 2020, and regarding the Third-party Allotment of Class A Preferred Shares, JDI concluded a Preferred Share Subscription Agreement (the "Preferred Share Subscription Agreement") on January 31, 2020; as a result, (viii) INCJ will provide the Senior Loan (the total amount of which is JPY 50 billion) and will subscribe for the Class A Preferred Shares (the total amount of which is JPY 102 billion), on the same day on which the Third-party Allotment will be implemented. Furthermore, the entire amount of the borrowing under the Commitment Line Agreement (the commitment line amount and the total principal amount of which is JPY 107 billion) as mentioned in (ii) above, the Short-term Loan dated December 25, 2019 (the total principal amount of which is JPY 20 billion) as mentioned in (iii) above, and the 1st Series Subordinated Convertible Bonds (the outstanding amount of which is JPY 25 billion) as mentioned in (iv) above will be repaid at the same time when the Third-party Allotment will be implemented.

Following this, the remaining part of the subordinated loan (the total principal amount of which is JPY 30 billion) as mentioned in (i) above, the Short-term Loan dated August 7, 2019 (the total principal amount of which is JPY 20 billion) as mentioned in (vi) above, the Short-term Loan dated September 2, 2019 (the total principal amount of which is JPY 20 billion) as mentioned in (vii) above, and the Senior Loan (the total amount of which is JPY 50 billion) as mentioned in (viii) above will be the remaining outstanding INCJ loans to JDI. Regarding the Short-term Loan dated August 7, 2019 (the total principal amount of which is JPY 20 billion) as mentioned in (vi) above and the Short-term Loan dated September 2, 2019 (the total principal amount of which is JPY 20 billion) as mentioned in (vii) above, JDI announced that the repayment due dates are the first anniversary of each of the borrowing execution dates. However, JDI has received a notice from INCJ stating that if JDI requests so, on the condition that the Third-party Allotment is implemented, INCJ is ready to (i) extend the repayment due date of the Short-term Loan dated August 7, 2019 for one year, (ii) extend the repayment due date of the Short-term Loan dated September 2, 2019 for two years at most.

It is planned that JPY 49.93 billion, which is the amount of funds to be raised through the exercise of the Stock Acquisition Rights, will be appropriated for an early repayment of INCJ loans to JDI, as mentioned above, depending on the time when Ichigo Trust exercises the Stock Acquisition Rights.

[Omitted]

7. Major Shareholders and Their Shareholding Ratios After the Third-party Allotment

(1) After the Third-party Allotment

① Common shares

Before the offering (as of January 16, 2020)		After the offering	
INCJ, Ltd.	25.29%	INCJ, Ltd.	14.10%
GOLDMAN SACHS INTERNATIONAL (Standing proxy: GOLDMAN SACHS JAPAN CO., LTD.)	6.78%	GOLDMAN SACHS INTERNATIONAL (Standing proxy: GOLDMAN SACHS JAPAN CO., LTD.)	3.78%
NICHIA CORPORATION	4.13%	NICHIA CORPORATION	2.30%
Japan Trustee Services Bank, Ltd. (Trust Account 9)	1.40%	Japan Trustee Services Bank, Ltd. (Trust Account 9)	0.78%
Japan Trustee Services Bank, Ltd. (Trust Account 5)	1.38%	Japan Trustee Services Bank, Ltd. (Trust Account 5)	0.77%
The Master Trust Bank of Japan, Ltd. (Trust Account)	1.29%	The Master Trust Bank of Japan, Ltd. (Trust Account)	0.72%
Sony Corporation	1.26%	Sony Corporation	0.70%
MLI FOR CLIENT GENERAL OMNI NON COLLATERAL NON TREATY-PB (Standing proxy: Merrill Lynch Japan Securities Co., Ltd.)	1.17%	MLI FOR CLIENT GENERAL OMNI NON COLLATERAL NON TREATY-PB (Standing proxy: Merrill Lynch Japan Securities Co., Ltd.)	0.65%
Haneda Turtle Service Co., Ltd.	1.14%	Haneda Turtle Service Co., Ltd.	0.63%
Akio Utsumi	1.11%	Akio Utsumi	0.62%

- (Note) 1 The table above is based on the shareholders register as of January 16, 2020.
- 2 The shareholding ratios are rounded off to the second decimal place.
- 3 The shareholding ratios after the offering are calculated by dividing the number of shares to be owned after the offering by the number of shares (1,518,165,800 shares) that adds the number of Class B Preferred Shares to be newly issued through the Third-party Allotment (672,000,000 shares) to the total number of issued and outstanding shares of JDI (846,165,800 shares) as of January 16, 2020.
- 4 Effissimo Capital Management Pte. Ltd. submitted the Report of Possession of Large Volume (the Change Report) dated December 5, 2019. However, JDI cannot confirm the substantial ownership as of today. Therefore, the table above does not include Effissimo Capital Management Pte. Ltd.

② Class B Preferred Shares

Before the offering (as of January 16, 2020)	After the offering	
N/A	Ichigo Trust	44.26%

- (2) After the issuance of the Class B Preferred Shares and the Class C Preferred Shares by exercising the Stock Acquisition Rights and after all of the rights to request that JDI acquire the Class B Preferred Shares and the Class C Preferred Shares in exchange for common shares of JDI attached to the Class B Preferred Shares and the Class C Preferred Shares are exercised

① Common shares

Before the offering (as of January 16, 2020)		After the offering (including shares to be delivered through an exercise of put options attached to the Class B Preferred Shares and the Class C Preferred Shares)	
INCJ, Ltd.	25.29%	Ichigo Trust	70.44%
GOLDMAN SACHS INTERNATIONAL (Standing proxy: GOLDMAN SACHS JAPAN CO., LTD.)	6.78%	INCJ, Ltd.	7.48%
NICHIA CORPORATION	4.13%	GOLDMAN SACHS INTERNATIONAL (Standing proxy: GOLDMAN SACHS JAPAN CO., LTD.)	2.00%
Japan Trustee Services Bank, Ltd. (Trust Account 9)	1.40%	NICHIA CORPORATION	1.22%
Japan Trustee Services Bank, Ltd. (Trust Account 5)	1.38%	Japan Trustee Services Bank, Ltd. (Trust Account 9)	0.41%
The Master Trust Bank of Japan, Ltd. (Trust Account)	1.29%	Japan Trustee Services Bank, Ltd. (Trust Account 5)	0.41%
Sony Corporation	1.26%	The Master Trust Bank of Japan, Ltd. (Trust Account)	0.38%
MLI FOR CLIENT GENERAL OMNI NON COLLATERAL NON TREATY-PB (Standing proxy: Merrill Lynch Japan Securities Co., Ltd.)	1.17%	Sony Corporation	0.37%
Haneda Turtle Service Co., Ltd.	1.14%	MLI FOR CLIENT GENERAL OMNI NON COLLATERAL NON TREATY-PB (Standing proxy: Merrill Lynch Japan	0.34%

		Securities Co., Ltd.)	
Akio Utsumi	1.11%	Haneda Turtle Service Co., Ltd.	0.34%

- (Note) 1 The table above is based on the shareholders register as of January 16, 2020.
- 2 The shareholding ratios are rounded off to the second decimal place.
- 3 The shareholding ratios after the offering are calculated by dividing the number of shares to be owned after the offering by the number of shares (2,862,165,800 shares) that adds the number of common shares to be acquired by Ichigo Trust where the right to request that JDI acquire all of the Class B Preferred Shares to be issued through the Third-party Allotment and the Class C Preferred Shares to be issued by exercising the Stock Acquisition Rights in exchange for common shares of JDI is exercised (2,016,000,000 shares) to the total number of issued and outstanding shares of JDI (846,165,800 shares) as of January 16, 2020.
4. Same as (Note) 4 in "(a) Common shares" in "(1) After the Third-party Allotment" above.
- (3) After the issuance of the Class A Preferred Shares, the Class B Preferred Shares, and the Class C Preferred Shares resulting from the exercise of the Stock Acquisition Rights, and after the right to request that JDI acquire all the Class A Preferred Shares, the Class B Preferred Shares, and the Class C Preferred Shares in exchange for its common shares is exercised

Before the offering (as of January 16, 2020)		After the offering (including shares to be delivered through an exercise of put options attached to the Class A Preferred Shares, the Class B Preferred Shares, and the Class C Preferred Shares)	
INCJ, Ltd.	25.29%	Ichigo Trust	60.81%
GOLDMAN SACHS INTERNATIONAL (Standing proxy: GOLDMAN SACHS JAPAN CO., LTD.)	6.78%	INCJ, Ltd.	23.13%
NICHIA CORPORATION	4.13%	GOLDMAN SACHS INTERNATIONAL (Standing proxy: GOLDMAN SACHS JAPAN CO., LTD.)	1.73%
Japan Trustee Services Bank, Ltd. (Trust Account 9)	1.40%	NICHIA CORPORATION	1.05%
Japan Trustee Services Bank, Ltd. (Trust Account 5)	1.38%	Japan Trustee Services Bank, Ltd. (Trust Account 9)	0.36%
The Master Trust Bank of Japan, Ltd. (Trust Account)	1.29%	Japan Trustee Services Bank, Ltd. (Trust Account 5)	0.35%

Sony Corporation	1.26%	The Master Trust Bank of Japan, Ltd. (Trust Account)	0.33%
MLI FOR CLIENT GENERAL OMNI NON COLLATERAL NON TREATY-PB (Standing proxy: Merrill Lynch Japan Securities Co., Ltd.)	1.17%	Sony Corporation	0.32%
Haneda Turtle Service Co., Ltd.	1.14%	MLI FOR CLIENT GENERAL OMNI NON COLLATERAL NON TREATY- PB (Standing proxy: Merrill Lynch Japan Securities Co., Ltd.)	0.30%
Akio Utsumi	1.11%	Haneda Turtle Service Co., Ltd.	0.29%

- (Note) 1 The table above is based on the shareholders register as of January 16, 2020.
- 2 The shareholding ratios are rounded off to the second decimal place.
- 3 The shareholding ratios after the offering are calculated by dividing the number of shares to be owned after the offering by the number of shares (3,315,499,133 shares) that adds (i) the largest number of common shares to be acquired by INCJ where the right to request that JDI acquire all the Class A Preferred Shares to be issued through the Third-party Allotment of Class A Preferred Shares in exchange for common shares of JDI (453,333,333 shares) and (ii) the number of common shares of JDI to be acquired by Ichigo Trust where the right to request that JDI acquire all of the Class B Preferred Shares to be issued through the Third-party Allotment and the Class C Preferred Shares to be issued by exercising the Stock Acquisition Rights in exchange for common shares of JDI (2,016,000,000 shares) to the total number of issued and outstanding shares of JDI (846,165,800 shares) as of January 16, 2020.
4. Same as (Note) 4 in "(a) Common shares" in "(1) After the Third-party Allotment" above.

[Omitted]

End.

Schedule 1

Conditions of the Class B Preferred Shares of Japan Display Inc.

1. Class of shares to be offered

Class B preferred shares of Japan Display Inc. (the "Class B Preferred Shares")

2. Number of shares to be offered

672,000,000 shares

3. Amount to be paid

JPY 75 per share

4. Total proceeds

JPY 50,400,000,000

5. Amount of capital to be increased

JPY 25,200,000,000 (JPY 37.5 per share)

6. Amount of capital reserve to be increased

JPY 25,200,000,000 (JPY 37.5 per share)

7. Payment date

March 26, 2020

8. Allottee / Number of shares

All Class B Preferred Shares will be allotted to Ichigo Trust through third-party allotment.

【Details of the Class A Preferred Shares】

9. Dividend of surplus

(1) Dividend of surplus

JDI will pay dividends per Class B Preferred Share calculated by multiplying dividends per common share by the Class B Conversion Rate (defined below) on the dividend payment date to shareholders or pledgees of the Class B Preferred Shares who are registered or recorded on the last shareholders register on the dividend payment date (if a record date is set, on such record date; hereinafter the same) (such shareholders, the "Class B Preferred Shareholders", and such pledgees, the "Registered Pledgees of Class B Preferred Shares") pari passu with shareholders and pledgees of common shares who are registered or recorded on the last shareholders register on the dividend payment date (such shareholders, the "Common Shareholders", and such pledgees, the "Registered Pledgees of Common Shares"); shareholders and pledgees of Japan Display Inc. class A preferred shares (the "Class A Preferred Shares") who are registered or recorded on the last shareholders register on the dividend payment date (such shareholders, the "Class A Preferred Shareholders," and such pledgees, the "Registered Pledgees of Class A Preferred Shares"); and shareholders and pledgees of Japan Display Inc. class C preferred shares (the "Class C Preferred Shares") who are registered or recorded on the last shareholders register on the dividend payment date (such shareholders, the "Class C Preferred Shareholders," and such pledgees, the "Registered Pledgees of Class C Preferred Shares"). If a fraction that is less than JPY 1 occurs as a result of multiplying the dividend amount per Class B Preferred Share by the number of Class B Preferred Shares held by the Class B Preferred Shareholders and the Registered Pledgees of Class B Preferred Shares, such fraction will be omitted.

"Class B Conversion Rate" means the number (calculated to the third decimal place, and the digit in the third decimal place will be omitted) obtained by dividing the Class B Investment Amount (defined in 13.(2) below; hereinafter the same) at that time by the Class B Conversion Price (defined in 15.(3) below; hereinafter the same).

(2) Class B Investment Amount

The Class B Investment Amount is as follows:

- (a) The initial amount will be JPY 75.
- (b) If JDI implements a share split, consolidation of shares, or allotment of shares without contribution (collectively, the "Share Split, etc."), the Class B Investment Amount will be adjusted in accordance with the formula below. If a fraction that is less than JPY 1 occurs as a result of the adjustment, JDI will calculate such fraction to the third decimal place, and omit the digit in the third decimal place. In the case of an allotment of shares without contribution, "Number of

issued and outstanding Class B Preferred Shares before the Share Split, etc." and "Number of issued and outstanding Class B Preferred Shares after the Share Split, etc." in the following formula are to be read as "Number of issued and outstanding Class B Preferred Shares before the allotment of shares without contribution (excluding, however, the Class B Preferred Shares held by JDI at that time)" and "Number of issued and outstanding Class B Preferred Shares after the allotment of shares without contribution (excluding, however, the Class B Preferred Shares held by JDI at that time)," respectively.

Class B Investment	Class B Investment	Number of issued and outstanding Class B Preferred Shares before the Share Split, etc.
Amount after adjustment	= Amount before adjustment	× Number of issued and outstanding Class B Preferred Shares after the Share Split, etc.

The Class B Investment Amount after adjustment will be applied, in the case of a share split, on and after the day following the record date of such share split, in the case of a consolidation of shares or allotment of shares without contribution, on and after the day following the effective date of such consolidation of shares or allotment of shares without contribution (if a record date is set, on and after the day following such record date).

- (c) If other events similar to (b) above occur, the Class B Investment Amount will be properly adjusted by resolutions of JDI's board of directors meeting.

10. Distribution of residual assets

(1) Distribution of residual assets

When JDI distributes its residual assets at the dissolution of JDI, JDI will pay amounts per Class B Preferred Share equivalent to the Class B Investment Amount to the Class B Preferred Shareholders and Registered Pledgees of Class B Preferred Shares before the Common Shareholders and Registered Pledgees of Common Shares; and pari passu with the Class A Preferred Shareholders and the Registered Pledgees of the Class A Preferred Shares as well as the Class C Preferred Shareholders and the Registered Pledgees of Class C Preferred Shares. If a fraction that is less than JPY 1 occurs as a result of multiplying the distribution amount of residual assets per Class B Preferred Share by the number of Class B Preferred Shares held by the Class B Preferred Shareholders and the Registered Pledgees of Class B Preferred Shares, such fraction will be omitted. If the distribution amount of residual assets falls short of the total amount necessary to distribute residual assets of a certain order of priority, residual assets should be distributed on a pro rata basis in accordance with the amount necessary to distribute residual assets of that order of priority.

(2) Participation clause

If residual assets remain even after the distribution of residual assets to the Class B Preferred Shareholders and Registered Pledgees of Class B Preferred Shares pursuant to (1) above, JDI will distribute residual assets per Class B Preferred Share calculated by multiplying the amount of residual assets per common share by the Class B Conversion Rate at the time of the distribution of residual assets to the Class B Preferred Shareholders and Registered Pledgees of Class B Preferred Shares *pari passu* with the Common Shareholders and Registered Pledgees of Common Shareholders; the Class A Preferred Shareholders and the Registered Pledgees of Class A Preferred Shares; and the Class C Preferred Shareholders and the Registered Pledgees of Class C Preferred Shares.

11. Transfer restriction

Acquisition of Class B Preferred Shares through their transfer requires the approval of JDI's board of directors meeting.

12. Voting rights

The Class B Preferred Shareholders have voting rights at general meetings of shareholders. The number of shares of one unit of Class B Preferred Shares shall be 100 shares.

13. Voting rights at the general meeting of class shareholders

Unless otherwise provided for by law, no resolution of the general meeting of class shareholders comprised of Class B Preferred Shareholders is required in order for JDI to engage in any of the acts listed under each item of Article 322, paragraph (1) of the Companies Act.

14. Cash-consideration call option (mandatory redemption)

Notwithstanding the intent of the Class B Preferred Shareholders and Registered Pledgees of Class B Preferred Shares, in exchange for delivering the Class B Investment Amount to the Class B Preferred Shareholders and Registered Pledgees of Class B Preferred Shares, within the limit of the distributable amount under Article 461, paragraph (2) of the Companies Act as of the date separately determined by JDI's board of directors meeting (the "Mandatory Redemption Date"), JDI can acquire the Class B Preferred Shares in whole or in part anytime, within the extent permitted by law, if the Mandatory Redemption Date has arrived. If there is more than one Class B Preferred Shareholder at the time of

acquiring part of the Class B Preferred Shares, the Class B Preferred Shares to be acquired by JDI will be determined by its board of directors meeting on a pro rata basis.

15. Common share-consideration put option (right to claim conversion)

(1) Details of the conversion claim

On or after the first anniversary of the payment date, within the extent permitted by law, the Class B Preferred Shareholders and Registered Pledgees of Class B Preferred Shares can claim that JDI deliver common shares per Class B Preferred Share the number of which is calculated based on the formula stated in c. below, in exchange for JDI acquiring the Class B Preferred Shares (the "Conversion Claim").

(2) Formula for number of common shares to be delivered based on the conversion claim

The number of common shares to be delivered in exchange for acquiring one Class B Preferred Share will be calculated based on the following formula:

(Formula)

Number of common shares to be delivered in exchange for acquiring one Class B Preferred Share
= Class B Investment Amount ÷ Class B Conversion Price

If a fraction that is less than 1 share occurs at the time of calculating the number of common shares to be delivered to the Class B Preferred Shareholders and Registered Pledgees of Class B Preferred Shares, such fraction will be omitted and treated in accordance with Article 167, paragraph (3) of the Companies Act.

(3) Class B Conversion Price

The Class B Conversion Price means an amount stated below.

(a) The initial price shall be JPY 50.

(b) Notwithstanding (a) above, if any of the following (A) through (E) occurs at JDI, JDI will adjust the Class B Conversion Price in accordance with each of (i) through (v). If a fraction that is less than JPY 1 occurs as a result of the adjustment, JDI will calculate such fraction to the third decimal place, and omit digits after the second decimal place.

(A) If JDI implements the Share Split, etc. of common shares, JDI will adjust the Class B Conversion Price based on the formula below. In the case of an allotment of shares without contribution, "Number of issued and outstanding common shares before the Share Split, etc." and "Number of

issued and outstanding common shares after the Share Split, etc." in the following formula are to be read as "Number of issued and outstanding common shares before the allotment of shares without contribution (excluding, however, common shares held by JDI at that time)" and "Number of issued and outstanding common shares after the allotment of shares without contribution (excluding, however, common shares held by JDI at that time)," respectively.

$$\begin{array}{rcl} \text{Class B} & & \text{Number of issued and outstanding common shares} \\ \text{Conversion Price} & = & \text{Conversion Price} \frac{\text{before the Share Split, etc.}}{\text{before adjustment}} \\ \text{after adjustment} & & \times \text{Number of issued and outstanding common shares} \\ & & \text{after the Share Split, etc.} \end{array}$$

The Class B Conversion Price after adjustment will be applied, in the case of a share split, on and after the day following the record date of such share split, in the case of a consolidation of shares or allotment of shares without contribution, on and after the effective date of such consolidation of shares or allotment of shares without contribution (if a record date is set, on and after the day following such record date).

- (B) If JDI issues its common shares (including dispositions of treasury shares; hereinafter the same in this item (B)) the price of which is less than the Class B Conversion Price before the adjustment (excluding, however, the cases where (i) JDI implements an allotment of shares without contribution, (ii) JDI issues its common shares by exercising or converting the Potential Shares (which means shares with put options, shares subject to call, stock acquisition rights (including those attached to bonds with stock acquisition rights; hereinafter the same in this Section (vii)), and other securities or rights with status that makes it possible to have them converted into common shares based on the claim by holders of such securities or rights or JDI, or subject to conditions that certain events occur; hereinafter the same), (iii) JDI delivers its common shares as a result of a merger, share exchange, or company split, or (iv) JDI sells its treasury shares pursuant to Article 194 of the Companies Act), JDI will adjust the Class B Conversion Price based on the formula below.

In these Conditions of the Class B Preferred Shares of Japan Display Inc., the "Total Number of Shares" means the number obtained by adding (i) the number of common shares underlying the issued and outstanding Potential Shares (excluding those held by JDI) as of the day before the date on which the Class B Conversion Price after the adjustment is applied to (ii) the number of issued and outstanding common shares as of the same day (excluding those held by JDI).

Also, in the case of a disposition of treasury shares, "Issue price" and "Number of shares to be newly issued" in the formula stated in this item (B) are to be read as "Disposition price" and "Number of treasury shares to be disposed," respectively.

$$\begin{array}{rclcl} & & \text{Total} & \text{Number of shares to be newly issued} & \\ & & & \times \text{Issue price per share} & \\ \text{Class B} & \text{Class B} & \text{Number of} & \hline \text{Conversion Price} & = & \text{Conversion Price} \times \text{Shares} & + & \text{Class B Conversion Price before} \\ \text{after adjustment} & & \text{before adjustment} & & \text{adjustment} \\ & & \hline & & \text{Total Number of Shares} & & \\ & & + \text{Number of shares to be newly issued} & & \end{array}$$

The Class B Conversion Price after adjustment will be applied on and after the day following the payment date (if the payment period is set, the end of such period), if a record date for the allotment to shareholders is set, on and after the day following such record date.

- (C) If JDI issues shares that can be converted into its common shares (including the case of an allotment of shares without contribution), and the price determined by its board of directors meeting as a price of consideration per common share to be delivered upon the conversion of such shares is less than the Class B Conversion Price before adjustment, JDI will adjust the Class B Conversion Price based on the formula below.

However, "Number of shares to be newly issued" in the formula stated in this item (C) means the number of common shares to be delivered if all the shares to be issued are converted into common shares on the date on which the adjustment under this item (C) is applied.

$$\begin{array}{rclcl} & & \text{Total} & \text{Number of shares to be newly issued} & \\ & & & \times \text{Price of consideration per share} & \\ \text{Class B} & \text{Class B} & \text{Number of} & \hline \text{Conversion Price} & = & \text{Conversion Price} \times \text{Shares} & + & \text{Class B Conversion Price before} \\ \text{after adjustment} & & \text{before adjustment} & & \text{adjustment} \\ & & \hline & & \text{Total Number of Shares} & & \\ & & + \text{Number of shares to be newly issued} & & \end{array}$$

The Class B Conversion Price after adjustment will be applied on and after the day following the payment date (if the payment period is set, the end of such period), in the case of an allotment of shares without contribution, on and after the effective date of such allotment of shares without contribution (if a record date for such allotment of shares without contribution is set, on and after

the day following such record date). Also, if the day of allotment to shareholders is set, the Class B Conversion Price after adjustment will be applied on and after the day following such day of allotment to shareholders.

- (D) If JDI issues stock acquisition rights for which its common shares are the underlying shares (including the case of an allotment of stock acquisition rights without contribution), and the total amount of the payment price of stock acquisition rights per common share and the price per common share of properties to be invested at the time of exercising such stock acquisition rights (the "Price of Consideration per Share" in this item (D)) is less than the Class B Conversion Price, JDI will adjust the Class B Conversion Price based on the formula below.

However, "Number of shares to be newly issued" in the formula stated in this item (D) means the number of common shares to be delivered if all the stock acquisition rights are exercised or converted into common shares on the date on which the adjustment under this item (D) is applied.

$$\begin{array}{rcl} \text{Class B Conversion Price after adjustment} & = & \text{Class B Conversion Price before adjustment} \times \frac{\text{Total Number of Shares} + \frac{\text{Number of shares to be newly issued} \times \text{Price of consideration per share}}{\text{Class B Conversion Price before adjustment}}}{\text{Total Number of Shares} + \text{Number of shares to be newly issued}} \end{array}$$

The Class B Conversion Price after adjustment will be applied on and after the day following the day of the allotment, in the case of an allotment of stock acquisition rights without contribution, on and after the effective date of such allotment of stock acquisition rights without contribution (if a record date for such allotment of stock acquisition rights without contribution is set, on and after the day following such record date). Also, if the day of allotment to shareholders is set, the Class B Conversion Price after adjustment will be applied on and after the day following such day of allotment to shareholders.

- (E) If any of (a) a merger in which JDI becomes a surviving company or a parent company of a surviving company, (b) a share exchange in which JDI becomes a wholly-owning parent company or a parent company of a wholly-owning parent company, or (c) a company split in which JDI becomes a succeeding company or a parent company of a succeeding company is implemented, and value per share of JDI to be allotted to shareholders of a consolidated company through a merger or per share of JDI to be allotted to shareholders of a wholly-owned subsidiary through a share exchange, or per share of JDI to be allotted to a split company or shareholders of a split

company (the "Allotted Shares") (such value is reasonably determined by JDI's board of directors meeting. If such Allotted Shares can be converted into its common shares, such value will be a converted amount per common share; hereinafter the same) is less than the Class B Conversion Price before adjustment, JDI will adjust the Class B Conversion Price based on the following formula.

However, if such Allotted Shares can be converted into JDI's common shares, the "Number of Allotted Shares" in the formula stated in this item (E) should be the number of common shares underlying such shares.

$$\begin{array}{rcl} \text{Class B Conversion Price after adjustment} & = & \frac{\begin{array}{l} \text{Class B Conversion Price before adjustment} \times \text{Total Number of Shares} \\ + \text{Number of Allotted Shares} \times \text{Value per share} \end{array}}{\text{Class B Conversion Price before adjustment} + \text{Number of Allotted Shares}} \end{array}$$

The Class B Conversion Price after adjustment will be applied on and after the effective date of such merger, share exchange, or company split.

16. Consolidation of shares or share split

- (1) If JDI implements a share split or consolidation of shares, JDI will also implement such share split or consolidation of shares with respect to common shares, the Class A Preferred Shares, the Class B Preferred Shares and the Class C Preferred Shares, at the same time and proportion for each class.
- (2) If JDI grants to shareholders entitlement to the allotment of offered shares, JDI will grant to the Common Shareholders entitlement to the allotment of common shares, to the Class A Preferred Shareholders entitlement to the allotment of the Class A Preferred Shares, to the Class B Preferred Shareholders entitlement to the allotment of the Class B Preferred Shares, and to the Class C Preferred Shareholders entitlement to the allotment of the Class C Preferred Shares, at the same time and proportion, respectively.
- (3) If JDI implements an allotment of shares without contribution, JDI will allot common shares to the Common Shareholders without contribution, the Class A Preferred Shares to the Class A Preferred Shareholders without contribution, the Class B Preferred Shares to the Class B Preferred Shareholders without contribution and the Class C Preferred Shares to the Class C Preferred Shareholders without contribution, at the same time and proportion, respectively.

- (4) If JDI grants to shareholders entitlement to the allotment of offered stock acquisition rights, JDI will grant to the Common Shareholders entitlement to the allotment of stock acquisition rights for which common shares are the underlying shares, entitlement to the Class A Preferred Shareholders to the allotment of stock acquisition rights for which the Class A Preferred Shares are the underlying shares, entitlement to the Class B Preferred Shareholders to the allotment of stock acquisition rights for which the Class B Preferred Shares are the underlying shares, and entitlement to the Class C Preferred Shareholders to the allotment of stock acquisition rights for which the Class C Preferred Shares are the underlying shares, at the same time and proportion (including making the ratio of the number of shares underlying stock acquisition rights substantially the same; hereinafter the same in this paragraph), respectively, under the conditions including substantially fair payment amount, property value to be invested at the time of exercising stock acquisition rights, from the perspective of the Class B Preferred Shareholders' rights and interests.
- (5) If JDI implements allotment of stock acquisition rights without contribution, JDI will allot stock acquisition rights for which common shares are the underlying shares to the Common Shareholders, stock acquisition rights for which the Class A Preferred Shares are the underlying shares to the Class A Preferred Shareholders, stock acquisition rights for which the Class B Preferred Shares are the underlying shares to the Class B Preferred Shareholders, and stock acquisition rights for which the Class C Preferred Shares are the underlying shares to the Class C Preferred Shareholders, at the same time and proportion, respectively.

Schedule 2

Conditions of the 11th Series Stock Acquisition Rights

Japan Display Inc.

1. Name of the Stock Acquisition Rights

Japan Display Inc. 11th Series Stock Acquisition Rights (the "Stock Acquisition Rights")

2. Total number of the Stock Acquisition rights to be issued

6672

3. Total proceeds

JPY 0 (no money is required to be paid in exchange for the Stock Acquisition Rights)

4. Allotment date and payment date

March 26, 2020

5. Offering method

All Stock Acquisition Rights will be allotted to Ichigo Trust through third-party allotment.

6. Class and number of shares underlying the Stock Acquisition Rights

The class of shares underlying the Stock Acquisition Rights shall be Japan Display, Inc. class C preferred Shares (the "Class C Preferred Shares"), and the number of Class C Preferred Shares underlying the Stock Acquisition Rights shall be 672,000,000 shares (the number of shares underlying each Stock Acquisition Right (the "Number of Granted Shares") shall be 1,000,000 shares).

The Number of Granted Shares shall be adjusted by the following calculation formula if JDI splits (including allotment of the Class C Preferred Shares without contribution) or consolidates the Class C Preferred Shares after the resolution date. However, only the Number of Granted Shares covered by the Stock Acquisition Rights not yet exercised at that time shall be so adjusted; any fraction less than one share resulting from the adjustment shall be omitted.

$$\begin{array}{ccccc} \text{Number of} & & \text{Number of Granted} & & \text{Share split/consolidation} \\ \text{Granted Shares after} & = & \text{Shares before} & \times & \text{ratio} \\ \text{adjustment} & & \text{adjustment} & & \end{array}$$

In addition to the above, if JDI implements a capital decrease, merger, company split, or share exchange, or any other unavoidable event requiring adjustment of the Number of Granted Shares occurs, JDI may adjust the Number of Granted Shares after the resolution date within a reasonable extent after taking into consideration the terms for such capital decrease, merger, company split, or share exchange.

The details of shares underlying the Stock Acquisition Rights are as follows.

(i) Dividend of surplus

a. Dividend of surplus

JDI will pay dividends per Class C Preferred Share calculated by multiplying dividends per common share by the Class C Conversion Rate (defined below) on the dividend payment date to shareholders and pledgees of the Class C Preferred Shares who are registered or recorded on the last shareholders register on the dividend payment date (such shareholders, the "Class C Preferred Shareholders," and such pledgees, the "Registered Pledgees of Class C Preferred Shares") pari passu with the shareholders and pledgees of common shares who are registered or recorded on the last shareholders register on the dividend payment date (such shareholders, the "Common Shareholders," and such pledgees, the "Registered Pledgees of Common Shares"); shareholders and pledgees of Japan Display Inc. class A preferred shares (the "Class A Preferred Shares") who are registered or recorded on the last shareholders register on the dividend payment date (such shareholders, the "Class A Preferred Shareholders," and such pledgees, the "Registered Pledgees of Class A Preferred Shares"); and shareholders and pledgees of Japan Display Inc. class B preferred shares (the "Class B Preferred Shares") who are registered or recorded on the last shareholders register on the dividend payment date (such shareholders, the "Class B Preferred Shareholders," and such pledgees, the "Registered Pledgees of Class B Preferred Shares"). If a fraction that is less than JPY 1 occurs as a result of multiplying the dividend amount per Class C Preferred Share by the number of Class C Preferred Shares held by the Class C Preferred Shareholders and the Registered Pledgees of Class C Preferred Shares, such fraction will be omitted.

"Class C Conversion Rate" means the number (calculated to the third decimal place, and the digit in the third decimal place will be omitted) obtained by dividing the Class C Investment Amount (defined in b. below; hereinafter the same) at that time by the Class C Conversion Price (defined in (vii) c. below;

hereinafter the same).

b. Class C Investment Amount

The Class C Investment Amount is as follows:

- (a) The initial amount will be JPY 75.
- (b) If JDI implements a share split, consolidation of shares, or allotment of shares without contribution (collectively, the "Share Split, etc."), the Class C Investment Amount will be adjusted in accordance with the formula below. If a fraction that is less than JPY 1 occurs as a result of the adjustment, JDI will calculate such fraction to the third decimal place, and omit the digit in the third decimal place. In the case of an allotment of shares without contribution, "Number of issued and outstanding Class C Preferred Shares before the Share Split, etc." and "Number of issued and outstanding Class C Preferred Shares after the Share Split, etc." in the following formula are to be read as "Number of issued and outstanding Class C Preferred Shares before the allotment of shares without contribution (excluding, however, the Class C Preferred Shares held by JDI at that time)" and "Number of issued and outstanding Class C Preferred Shares after the allotment of shares without contribution (excluding, however, the Class C Preferred Shares held by JDI at that time)," respectively.

Class C Investment Amount after adjustment	Class C Investment Amount before adjustment	×	$\frac{\text{Number of issued and outstanding Class C Preferred Shares before the Share Split, etc.}}{\text{Number of issued and outstanding Class C Preferred Shares after the Share Split, etc.}}$
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The Class C Investment Amount after adjustment will be applied, in the case of a share split, on and after the day following the record date of such share split, in the case of a consolidation of shares or allotment of shares without contribution, on and after the day following the effective date of such consolidation of shares or allotment of shares without contribution (if a record date is set, on and after the day following such record date).

- (c) If other events similar to (b) above occur, the Class C Investment Amount will be properly adjusted by resolutions of JDI's board of directors meeting.

(ii) Distribution of residual assets

a. Distribution of residual assets

When JDI distributes its residual assets at the dissolution of JDI, JDI will pay amounts per Class C Preferred Share equivalent to the Class C Investment Amount to the Class C Preferred Shareholders and Registered Pledgees of Class C Preferred Shares before the Common Shareholders and Registered Pledgees of Common Shares; and *pari passu* with the Class A Preferred Shareholders and the Registered Pledgees of the Class A Preferred Shares as well as the Class B Preferred Shareholders and the Registered Pledgees of Class B Preferred Shares. If a fraction that is less than JPY 1 occurs as a result of multiplying the distribution amount of residual assets per Class C Preferred Share by the number of Class C Preferred Shares held by the Class C Preferred Shareholders and the Registered Pledgees of Class C Preferred Shares, such fraction will be omitted. If the distribution amount of residual assets falls short of the total amount necessary to distribute residual assets of a certain order of priority, residual assets should be distributed on a *pro rata* basis in accordance with the amount necessary to distribute residual assets of that order of priority.

b. Participation clause

If residual assets remain even after the distribution of residual assets to the Class C Preferred Shareholders and Registered Pledgees of Class C Preferred Shares pursuant to a. above, JDI will distribute residual assets per Class C Preferred Share calculated by multiplying the amount of residual assets per common share by the Class C Conversion Rate at the time of the distribution of residual assets to the Class C Preferred Shareholders and Registered Pledgees of Class C Preferred Shares *pari passu* with the Common Shareholders and Registered Pledgees of Common Shareholders; the Class A Preferred Shareholders and the Registered Pledgees of Class A Preferred Shares; and the Class B Preferred Shareholders and the Registered Pledgees of Class B Preferred Shares.

(iii) Transfer restriction

Acquisition of Class C Preferred Shares through their transfer requires the approval of JDI's board of directors meeting.

(iv) Voting rights

Unless otherwise provided for by law, the Class C Preferred Shareholders have no voting rights at general meetings of shareholders.

(v) Voting rights at the general meeting of class shareholders

Unless otherwise provided for by law, no resolution of the general meeting of class shareholders comprised of Class C Preferred Shareholders is required in order for JDI to engage in any of the acts listed under each

item of Article 322, paragraph (1) of the Companies Act.

(vi) Cash-consideration call option (mandatory redemption)

Notwithstanding the intent of the Class C Preferred Shareholders and Registered Pledgees of Class C Preferred Shares, in exchange for delivering the Class C Investment Amount to the Class C Preferred Shareholders and Registered Pledgees of Class C Preferred Shares, within the limit of the distributable amount under Article 461, paragraph (2) of the Companies Act as of the date separately determined by JDI's board of directors meeting (the "Mandatory Redemption Date"), to the extent permitted by applicable laws, JDI can acquire the Class C Preferred Shares in whole or in part anytime, if the Mandatory Redemption Date has arrived. If there is more than one Class C Preferred Shareholder at the time of acquiring part of the Class C Preferred Shares, the Class C Preferred Shares to be acquired by JDI will be determined by its board of directors meeting on a pro rata basis.

(vii) Common share-consideration put option (right to claim conversion)

a. Details of the conversion claim

On or after the first anniversary of the payment date (meaning the day when the Class C Preferred Shares are initially issued; hereinafter the same), to the extent permitted by applicable laws, the Class C Preferred Shareholders and Registered Pledgees of Class C Preferred Shares can claim that JDI deliver common shares per Class C Preferred Share the number of which is calculated based on the formula stated in c. below, in exchange for JDI acquiring the Class C Preferred Shares (the "Conversion Claim").

b. Formula for number of common shares to be delivered based on the conversion claim

The number of common shares to be delivered in exchange for acquiring one Class C Preferred Share will be calculated based on the following formula:

(Formula)

Number of common shares to be delivered in exchange for acquiring one Class C Preferred Share
= Class C Investment Amount ÷ Class C Conversion Price

If a fraction that is less than 1 share occurs at the time of calculating the number of common shares to be delivered to the Class C Preferred Shareholders and Registered Pledgees of Class C Preferred Shares, such fraction will be omitted and treated in accordance with Article 167, paragraph (3) of the Companies Act.

c. Class C Conversion Price

The Class C Conversion Price means an amount stated below.

- (a) The initial price shall be JPY 50.
- (b) Notwithstanding (a) above, if any of the following (A) through (E) occurs at JDI, JDI will adjust the Class C Conversion Price in accordance with each of (i) through (v). If a fraction that is less than JPY 1 occurs as a result of the adjustment, JDI will calculate such fraction to the third decimal place, and omit digits after the second decimal place.
- (A) If JDI implements the Share Split, etc. of common shares, JDI will adjust the Class C Conversion Price based on the formula below. In the case of an allotment of shares without contribution, "Number of issued and outstanding common shares before the Share Split, etc." and "Number of issued and outstanding common shares after the Share Split, etc." in the following formula are to be read as "Number of issued and outstanding common shares before the allotment of shares without contribution (excluding, however, common shares held by JDI at that time)" and "Number of issued and outstanding common shares after the allotment of shares without contribution (excluding, however, common shares held by JDI at that time)," respectively.

$$\begin{array}{rcccl} & \text{Class C} & \text{Class C} & \text{Number of issued and outstanding common shares} & \\ & \text{Conversion Price} & \text{Conversion Price} & \text{before the Share Split, etc.} & \\ \text{Class C} & & & & \\ \text{Conversion Price} & = & \text{before} & \times & \frac{\text{before the Share Split, etc.}}{\text{after the Share Split, etc.}} \\ \text{after adjustment} & & \text{adjustment} & & \end{array}$$

The Class C Conversion Price after adjustment will be applied, in the case of a share split, on and after the day following the record date of such share split, in the case of a consolidation of shares or allotment of shares without contribution, on and after the effective date of such consolidation of shares or allotment of shares without contribution (if a record date is set, on and after the day following such record date).

- (B) If JDI issues its common shares (including dispositions of treasury shares; hereinafter the same in this item (B)) the price of which is less than the Class C Conversion Price before the adjustment (excluding, however, the cases where (i) JDI implements an allotment of shares without contribution, (ii) JDI issues its common shares by exercising or converting the Potential Shares (which means shares with put options, shares subject to call, stock acquisition rights (including those attached to bonds with stock acquisition rights; hereinafter the same in

this Section (vii)), and other securities or rights with status that makes it possible to have them converted into common shares based on the claim by holders of such securities or rights or JDI, or subject to conditions that certain events occur; hereinafter the same), (iii) JDI delivers its common shares as a result of a merger, share exchange, or company split, or (iv) JDI sells its treasury shares pursuant to Article 194 of the Companies Act), JDI will adjust the Class C Conversion Price based on the formula below.

In these Conditions of the Class C Preferred Shares of Japan Display Inc., the "Total Number of Shares" means the number obtained by adding (i) the number of common shares underlying the issued and outstanding Potential Shares (excluding those held by JDI) as of the day before the date on which the Class C Conversion Price after the adjustment is applied to (ii) the number of issued and outstanding common shares as of the same day (excluding those held by JDI).

Also, in the case of a disposition of treasury shares, "Issue price" and "Number of shares to be newly issued" in the formula stated in this item (B) are to be read as "Disposition price" and "Number of treasury shares to be disposed," respectively.

$$\text{Class C Conversion Price after adjustment} = \frac{\text{Class C Conversion Price before adjustment} \times \text{Total Number of Shares} + \frac{\text{Number of shares to be newly issued} \times \text{Issue price per share}}{\text{Class C Conversion Price before adjustment}}}{\text{Total Number of Shares} + \text{Number of shares to be newly issued}}$$

The Class C Conversion Price after adjustment will be applied on and after the day following the payment date (if the payment period is set, the end of such period), if a record date for the allotment to shareholders is set, on and after the day following such record date.

- (C) If JDI issues shares that can be converted into its common shares (including the case of an allotment of shares without contribution), and the price determined by its board of directors meeting as a price of consideration per common share to be delivered upon the conversion of such shares is less than the Class C Conversion Price before adjustment, JDI will adjust the Class C Conversion Price based on the formula below.

However, "Number of shares to be newly issued" in the formula stated in this item (C) means the number of common shares to be delivered if all the shares to be issued are converted into common shares on the date on which the adjustment under this item (C) is applied.

$$\text{Class C Conversion Price after adjustment} = \frac{\text{Class C Conversion Price before adjustment} \times \text{Total Number of Shares} + \frac{\text{Number of shares to be newly issued} \times \text{Price of consideration per share}}{\text{Class C Conversion Price before adjustment}}}{\text{Total Number of Shares} + \text{Number of shares to be newly issued}}$$

The Class C Conversion Price after adjustment will be applied on and after the day following the payment date (if the payment period is set, the end of such period), in the case of an allotment of shares without contribution, on and after the effective date of such allotment of shares without contribution (if a record date for such allotment of shares without contribution is set, on and after the day following such record date). Also, if the day of allotment to shareholders is set, the Class B Conversion Price after adjustment will be applied on and after the day following such day of allotment to shareholders.

- (D) If JDI issues stock acquisition rights for which its common shares are the underlying shares (including the case of an allotment of stock acquisition rights without contribution), and the total amount of the payment price of stock acquisition rights per common share and the price per common share of properties to be invested at the time of exercising such stock acquisition rights (the "Price of Consideration per Share" in this item (D)) is less than the Class C Conversion Price, JDI will adjust the Class C Conversion Price based on the formula below.

However, "Number of shares to be newly issued" in the formula stated in this item (D) means the number of common shares to be delivered if all the stock acquisition rights are exercised or converted into common shares on the date on which the adjustment under this item (D) is applied.

$$\text{Class C Conversion Price after adjustment} = \frac{\text{Class C Conversion Price before adjustment} \times \text{Total Number of Shares} + \frac{\text{Number of shares to be newly issued} \times \text{Price of consideration per share}}{\text{Class C Conversion Price before adjustment}}}{\text{Total Number of Shares} + \text{Number of shares to be newly issued}}$$

$$\frac{\text{Total Number of Shares}}{\text{+ Number of shares to be newly issued}}$$

The Class C Conversion Price after adjustment will be applied on and after the day following the day of the allotment, in the case of an allotment of stock acquisition rights without contribution, on and after the effective date of such allotment of stock acquisition rights without contribution (if a record date for such allotment of stock acquisition rights without contribution is set, on and after the day following such record date). Also, if the day of allotment to shareholders is set, the Class C Conversion Price after adjustment will be applied on and after the day following such day of allotment to shareholders.

- (E) If any of (a) a merger in which JDI becomes a surviving company or a parent company of a surviving company, (b) a share exchange in which JDI becomes a wholly-owning parent company or a parent company of a wholly-owning parent company, or (c) a company split in which JDI becomes a succeeding company or a parent company of a succeeding company is implemented, and value per share of JDI to be allotted to shareholders of a consolidated company through a merger or per share of JDI to be allotted to shareholders of a wholly-owned subsidiary through a share exchange, or per share of JDI to be allotted to a split company or shareholders of a split company (the "Allotted Shares") (such value is reasonably determined by JDI's board of directors meeting. If such Allotted Shares can be converted into its common shares, such value will be a converted amount per common share; hereinafter the same) is less than the Class C Conversion Price before adjustment, JDI will adjust the Class C Conversion Price based on the following formula.

However, if such Allotted Shares can be converted into JDI's common shares, the "Number of Allotted Shares" in the formula stated in this item (v) should be the number of common shares underlying such shares.

$$\text{Class C Conversion Price after adjustment} = \frac{\text{Class C Conversion Price before adjustment} \times \frac{\text{Total Number of Shares} + \frac{\text{Number of Allotted Shares} \times \text{Value per share}}{\text{Class C Conversion Price before adjustment}}}{\text{Total Number of Shares} + \text{Number of Allotted Shares}}$$

The Class C Conversion Price after adjustment will be applied on and after the effective date of such merger, share exchange, or company split.

(viii) Consolidation of shares or share split

- a. If JDI implements a share split or consolidation of shares, JDI will also implement such share split or consolidation of shares with respect to common shares, the Class A Preferred Shares, the Class B Preferred Shares and the Class C Preferred Shares, at the same time and proportion for each class.
- b. If JDI grants to shareholders entitlement to the allotment of offered shares, JDI will grant to the Common Shareholders entitlement to the allotment of common shares, to the Class A Preferred Shareholders entitlement to the allotment of the Class A Preferred Shares, to the Class B Preferred Shareholders entitlement to the allotment of the Class B Preferred Shares, and to the Class C Preferred Shareholders entitlement to the allotment of the Class C Preferred Shares, at the same time and proportion, respectively.
- c. If JDI implements an allotment of shares without contribution, JDI will allot common shares to the Common Shareholders without contribution, the Class A Preferred Shares to the Class A Preferred Shareholders without contribution, the Class B Preferred Shares to the Class B Preferred Shareholders without contribution and the Class C Preferred Shares to the Class C Preferred Shareholders without contribution, at the same time and proportion, respectively.
- d. If JDI grants to shareholders entitlement to the allotment of offered stock acquisition rights, JDI will grant to the Common Shareholders entitlement to the allotment of stock acquisition rights for which common shares are the underlying shares, entitlement to the Class A Preferred Shareholders to the allotment of stock acquisition rights for which the Class A Preferred Shares are the underlying shares, entitlement to the Class B Preferred Shareholders to the allotment of stock acquisition rights for which the Class B Preferred Shares are the underlying shares, and entitlement to the Class C Preferred Shareholders to the allotment of stock acquisition rights for which the Class C Preferred Shares are the underlying shares, at the same time and proportion (including making the ratio of the number of shares underlying stock acquisition rights substantially the same; hereinafter the same in this paragraph), respectively, under the conditions including substantially fair payment amount, property value to be invested at the time of exercising stock acquisition rights, from the perspective of the Class C Preferred Shareholders' rights and interests.
- e. If JDI implements allotment of stock acquisition rights without contribution, JDI will allot stock acquisition rights for which common shares are the underlying shares to the Common Shareholders, stock acquisition rights for which the Class A Preferred Shares are the underlying shares to the Class A Preferred Shareholders, stock acquisition rights for which the Class B Preferred Shares are the underlying shares to the Class B Preferred Shareholders, and stock acquisition rights for which the

Class C Preferred Shares are the underlying shares to the Class C Preferred Shareholders, at the same time and proportion, respectively.

7. Amount to be paid-in upon exercising stock acquisition rights

The value of properties to be contributed upon exercising each Stock Acquisition Right shall be the result of the amount to be paid-in for one share that may be delivered by exercising such stock acquisition right (the "Exercise Price"), multiplied by the Number of Granted Shares.

The Exercise Price shall be JPY 75 per share.

If any of the following events occurs to JDI after the allotment date, JDI shall adjust the Exercise Price by using the respective calculation formula; any fraction less than JPY 1 resulting from the adjustment shall be rounded to the nearest whole number.

- (i) If JDI splits (including allotment of the Class C Preferred Shares without contribution) or consolidates the Class C Preferred Shares:

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{1}{\text{Share split/consolidation ratio}}$$

- (ii) If JDI implements a capital decrease, merger, company split, or share exchange, or any other unavoidable event requiring adjustment of the Exercise Price occurs, JDI may adjust the Exercise Price within a reasonable extent after taking into consideration the terms for such capital decrease, merger, company split, or share exchange.

8. Exercisable period for the Stock Acquisition Rights

From April 1, 2020 until March 31, 2023 (if such day is not a business day of JDI, the business day immediately before such day.)

9. Conditions to exercising the Stock Acquisition Rights

N/A

10. Amount to be incorporated into the stated capital out of the issue price of share certificates if issued by exercising the Stock Acquisition Rights

The amount of the stated capital increased when issuing the Class C Preferred Shares by exercising the Stock Acquisition Rights shall be one-half of the Maximum Amount of Increase in Stated Capital calculated pursuant to Article 17, paragraph (1) of the Regulation on Corporate Accounting (any fraction less than JPY 1 resulting from the calculation shall be rounded to the nearest whole number), and the remaining amount shall be the amount of capital reserves.

11. Matters regarding transfer of stock acquisition rights

Any acquisition of the Stock Acquisition Rights by transfer shall require a resolution approved by the board of directors of JDI.

12. Acquisition of the Stock Acquisition Rights

If the board of directors of JDI resolves that it is necessary to acquire the Stock Acquisition Rights, JDI shall give notice pursuant to Articles 273 and 274 of the Companies Act on and after the day following the allotment date of the Stock Acquisition Rights and shall be entitled to acquire all or part of the Stock Acquisition Rights remaining on the acquisition date to be determined by the board of directors of JDI without contribution. If JDI acquires part of the Stock Acquisition Rights, the board of directors will determine the number of Stock Acquisition Rights to be acquired.

13. Method to request an exercise of the Stock Acquisition Rights

- (1) If the Stock Acquisition Rights are exercised, the department accepting requests to exercise the Stock Acquisition Rights described in paragraph 15, shall be notified of the matters necessary for a request to exercise the Stock Acquisition Rights during the exercisable period described in paragraph 8.
- (2) If the Stock Acquisition Rights are exercised, in addition to the notice set forth in the preceding item, the entire amount of property to be invested upon exercising the Stock Acquisition Rights shall be transferred in cash to an account to be designated by JDI with the payment handling bank described in paragraph 16.
- (3) A request to exercise the Stock Acquisition Rights shall be effective on the date when a notice of all matters necessary for the request to exercise the Stock Acquisition Rights is provided to the department accepting requests to exercise the Stock Acquisition Rights described in paragraph 15, and when the entire amount of property to be invested upon exercising the Stock Acquisition Rights has been transferred to an account as set forth in the preceding paragraph.

14. Non issuance of securities of stock acquisition rights

JDI will not issue any securities of stock acquisition rights regarding the Stock Acquisition Rights.

15. Department accepting requests to exercise the Stock Acquisition Rights

Finance Department, Finance Division, Japan Display Inc.

16. Payment handling bank

Headquarters of Mizuho Bank, Ltd.

17. Others

- (1) Each paragraph above is on the condition that proposals related to the issuance of the Stock Acquisition Rights and concerning the partial amendment to the Articles of Incorporation for the issuance of the Class C Preferred Shares which are the underlying shares of the Stock Acquisition Rights are implemented.
- (2) Other matters necessary for the Stock Acquisition Rights will be entrusted to the representative directors of JDI.